* * REASONS FOR AMENDMENTS AND REMARKS * *

In response to the Office Action mailed March 19, 2008, Claims 1, 17, 31, and 38 have been amended to more clearly and distinctly claim the invention. Reconsideration and allowance of all pending claims in the present application are respectfully requested for the reasons set forth below.

The present invention relates to an automated system and method for evaluating insurable risk at a point-of-sale, for gathering information relating to such risks, and for providing an immediate binding offer for an insurance product to cover such risks. More specifically, the system and method of the present invention provides an automated method and system for use in the marketing of insurance products which are fully underwritten.

As noted on pages 2 and 3 of the specification, insurance products are available in some instances from kiosks, online terminals and similar devices. These insurance products are so-called "simplified-issue" products which are priced and issued based upon the gathering of relatively little information from the insured. Moreover, the information that is gathered is solicited from or directly inputted by the insured and, in some cases, may not be reliable. In the context of the present application, such information is referred to as "self-reported information."

The present invention includes the step of and means for collecting self-reporting information relating to an insurable risk from an applicant. However, the method and system of the present invention further includes the step of and means for collecting "objective information" relating to the insurable risk from the applicant. Objective information, in the context of this application, is information about the applicant that is measured, observed or otherwise gathered by a means or from a source other than the applicant, and that is not controlled by the applicant. It is, thus, more reliable than "self-reported" information and, in some cases, includes information that is not readily available to the applicant for self-reporting.

The self-reported information and the objective information collected by the automated method and system is then used by an automated underwriting module in evaluating

and rating the insurable risk. An insurance offer relating to a specific insurance product based on the rated insurable risk is prepared and presented for review and acceptance by the applicant. This insurance offer differs from the prior art, including the prior art disclosures of Lockwood and Foutz cited by the Examiner, in that the product is a fully-underwritten product. As noted with reference to Figure 1, the differences between risks which are fully underwritten and non-fully underwritten (i.e., "instant-issue" or "immediate-issue" products) is significant.

In the Office Action, the drawings were objected to because they included a reference numeral not mentioned in the description, and included Figure 25 which was not specifically referred to in the specification. A reference to Figure 25 has been inserted into the specification at page 20, line 3. On page 21, an erroneous reference to "decision block 218" has been changed to "decision block 219." These changes address the Examiner's objections to the drawings.

Claims 1-16 were rejected under 35 U.S.C. Section 112, second paragraph, as being indefinite to failing to particularly point out and distinctly claim the subject matter regarded as the invention. Specifically, independent Claim 1 and its dependent claims were deemed by the Examiner to be directed to both an apparatus and method steps for using the apparatus, and are therefore considered to be indefinite under 35 U.S.C. Section 112, second paragraph.

The Examiner notes that independent Claim 1 is directed to an automated method which comprises a series of steps, one of which is to provide information to an automated underwriting system. An automated underwriting system of the type referred to in Claim 1 is described in the specification at page 13, lines 4-12, as follows:

> Processor 22 may be a general purpose computing system which includes a central processing unit, a memory, input devices, a display, and output devices. An automated underwriting system capable of evaluating and rating insurable risks is resident in the memory of processor 22. An example of an underwriting system is shown in U.S. Patent No. 4,975,840 which is assigned to the present Assignee. To the extent necessary for a complete

understanding of the system of Figure 2, elements of that patent are
hereby expressly incorporated herein by this reference thereto.
However, the system of Figure 2 is not intended to be limited to
use only with the automated underwriting system shown in that
patent.

Claims 1-16 of the present application are directed to an automated method of
evaluating an insurable risk and providing an immediate binding insurance offer to cover that
risk. An "automated underwriting system" is used for evaluating and rating the insurable risk,
based upon the receipt of both self-reported information and objective information (as discussed
above and below). The claim is not directed to the automated underwriting system, but rather is
directed to a sequence of steps, some of which interact with or utilize such a system. The
undersigned notes that the Patent Office has recently issued a memo to Examiners outlining the
steps they should take to determine whether a method claim qualifies as a patent-eligible process
under 35 U.S.C. Section 101. Among other things, the memo notes that a Section 101 patent-
eligible process must "be tied to another statutory class (such as a particular apparatus) ... ."
Irrespective of whether this position is eventually upheld by the Court of Appeals for the Federal
Circuit, Applicants and the undersigned respectfully submit that Claims 1-16 are not indefinite
due to the fact that an apparatus (an "automated underwriting system" of the type described in
the specification) is referenced, but not recited as a positive element of the claim, and that it is
clear what method Applicants intend Claims 1-16 to encompass.

Claims 1-3, 5-12, 13-23, 26-33 and 36-37 were rejected under 35 U.S.C. Section
103(a) as being unpatentable over U.S. Patent No. 4,567,359 to Lockwood in view of U.S. Patent
Publication No. 2003/0074277 to Foutz. Lockwood discloses "a system for automatically
dispensing information, services and products to customers in a self-service fashion." (Col. 1,
lines 6-8). Lockwood further notes that such a system "may be used, for example, for
automatically dispensing insurance quotations and policies." (Col. 1, lines 9-10). As noted by
the Examiner, the Lockwood system does collect self-reported information from an applicant
(column 5, lines 7-9). However, as also noted by the Examiner, Lockwood fails to teach the step
of collecting objective information relating to the insurable risk, and using an automated
underwriting system, evaluating and rating the insurable risk based on both the self-reported and

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objective information. Since the Examiner notes the omission of the step of collecting objective information relating to the risk, Applicants and the undersigned assume that the Examiner would agree that step c ("providing ... the objective information to an automated underwriting system") is similarly not disclosed by Lockwood.

The Examiner cites Foutz as teaching the steps of collecting objective information relating to the insurable risk (paragraph [0003]) and, using an automated underwriting system, evaluating and rating the insurable risk (paragraphs [0074] and [0075]). Paragraph [0003] of Foutz reads as follows:

> For example, an individual (or company) who desires to obtain
> insurance usually must complete a paper application, disclosing the
> person's name, address, and other information (e.g., date of birth,
> social security number, occupation, prior insurance coverage,
> medical history, etc.). Using this information, one or more people
> employed by or acting on behalf of the insurance company
> (referrred to below as a "representative") perform a manual
> underwriting process, in which the representativemakes a decision
> whether or not to offer the requested insurance to the individual.
> In some cases, the representative requires the individual to provide
> additional information or to submit to a medical examination
> during the underwriting process.

This paragraph describes, by way of background, a manual underwriting process in which an individual completes a paper application with self-reported information. The paragraph closes by indicating that "in some cases, the representative requires the individual to provide additional information or to submit to a medical examination during the underwriting process." This type of prior art process is described in the specification of the present application at page 3, lines 8-13, as follows:

> That is, the application process involves collecting information
> (such as examination by a medical professional or
> paraprofessional, urine specimen, blood profile, etc.) over and
> above that typically submitted on an insurance application by each
> of the insured individuals. The information is then evaluated by an
> underwriter, or according to criteria developed by an underwriter,
> prior to specifying and pricing an applicable insurance product.

As noted on the remainder of page 3 and page 4 of the specification, use of a medical professional or paraprofessional and an experienced underwriter produces a superior result, when compared to the "instant-issue" or "immediate-issue" products, but at a considerable cost in time and expenses associated with obtaining the additional information required for the full underwriting process. Foutz notes similar disadvantages to the prior art manual system in paragraphs [0004], [0005] and [0006]. To overcome these disadvantages, the present invention provides, as part of an automated method and system, the steps of and means for collecting certain objective information from the applicant, entering the information into the system and, using the objective information (along with self-reported information), providing an immediate binding insurance offer to cover the subject risk. With reference to the drawings, this capability is illustrated in Figure 2 as station 26, which is described on page 14 of the specification as follows:

> At station 26, objective information is collected from applicant 14 by one or more technicians, or by one or more self- or technician-operated devices, such as those described in additional detail below. The technician may be a medical professional or paraprofessional. Objective information is collected from applicant 14, including one or more of the following: height and weight, blood pressure, pulse rate, blood cholesterol, blood glucose, evidence of drug usage, HIV exposure or tumor markers, evidence of tobacco usage, lung capacity, evidence of kidney disease. A technician may also initiate collection of information from the Medical Information Bureau, information relating to prescribed drugs, consumer credit information, and motor vehicle information.

As further noted in the specification, as or after the objective information is collected, the information is transmitted to processor 22 by data communication links (see Figure 2). Some of the additional objective information may also be directly entered into the system by a technician. (See, for example, Figure 24). Figure 3 illustrates some of the apparatus used to gather objective information relating to an applicant, and communicate that information to an automated underwriting program (50) "in real time." Applicants and the undersigned respectfully submit that the method and system of the present invention, which provides for on-

the-spot collection of objective information relating to an applicant, cannot fairly be compared to the prior art manual underwriting process referenced in paragraph [0003] of Foutz. Indeed, Foutz notes in paragraph [0006] that the process described in paragraph [0003] "takes days, weeks or even months to complete." Noting several disadvantages to the prior art manual system, Foutz states that "what is needed is a system and method for decreasing the cycle time for processes that include application, review, and acceptance/rejection tasks." Although Foutz provides a system that does refer to "an automated review process" in paragraph [0074], Foutz does not provide for the collection of, and immediate consideration of, objective information from the applicant as part of his "improved" system and method.

In paragraph [0047], Foutz discusses the prior art manual underwriting processes, criticizing them for the amount of human efforts and involvement required. In paragraphs [0048-50] Foutz makes clear that his invention lies in "automating the processes of application receipt, application review (e.g., underwriting), referral, and bid ...." Foutz does not discuss at all the gathering of objective information from or about the applicant as part of his improved method and system. Rather, he apparently assumes that, if the application being received and reviewed includes such objective information, the information was collected in the same manner described in connection with the manual prior art process noted in paragraph [0003]. Accordingly, Foutz does not show or suggest the steps of collecting objective information relating to the insurable risk from the applicant, and providing the objective information (along with self-reported information) to an automated underwriting system. Accordingly, Foutz does not teach steps b and c of Claim 1, and cannot be used in combination with Lockwood in rejecting that claim.

With regard to Claim 2, the Examiner states that Lockwood teaches the automated method of Claim 1. That statement contradicts the Examiner's earlier statements to the effect that Lockwood fails to teach (at least) steps b and e of Claim 1. The undersigned assumes the Examiner is referring to the combination of Lockwood and Foutz. That combination is not believed to teach the limitations of Claim 1, as originally presented or as amended, for the reasons set forth above. The Examiner does note that Lockwood fails to teach the limitation of

Claim 2, but takes the position that Foutz teaches said limitation in one of paragraphs [0003], [0046] and [0106]. Applicant and the undersigned respectfully submit that paragraph [0003] does not teach the subject matter of Claim 2 for the reasons set forth above. That is, paragraph [0003] is a description of a prior art manual underwriting process and is not a description of an automated method and/or system comprising features such as that set forth in dependent Claim 2. With regard to paragraph [0046], nothing therein shows or suggests the step of obtaining consent from an applicant to provide information to an automated underwriting system, particularly, objective information obtained from the applicant. (See text of paragraph [0046] attached to this response.) The subject matter of paragraph [0106] begins:

> In one embodiment, if the Potential Customer currently offers benefits, then an additional application information input page is displayed, which prompts the user for additional benefits information.

The "Potential Customer" referenced there is, for example, a sole proprietorship, S Corp., C Corp., LLC, LLP, etc. The embodiment referred to is one in which such an entity is using the Foutz system to offer benefits, presumably to its employees. Again, nothing in this paragraph indicates that the Foutz system and/or method includes the step of or apparatus for obtaining, via electronic means, consent from the applicant to provide information of any type to an automated underwriting system.

With regard to Claims 3 and 5-10, Applicants and the undersigned respectfully submit that this claim is not obvious in view of the Lockwood/Foutz combination for at least the reasons set forth above with regard to Claim 1.

With regard to Claim 11, the Examiner states that Lockwood teaches the automated method of Claim 1, wherein the objective information includes ... ." However, in the Examiner's remarks on page 4 of the Office Action regarding Claim 1, the Examiner notes that "Lockwood fails to teach an automated method comprising the steps of (b) collecting objective information relating to the insurable risk ...." Applicant and the undersigned respectfully submit that, since Lockwood lacks the step of collecting objective information, then Lockwood cannot

disclose particular items of objective information which is collected from the applicant by the claimed method and system.

With regard to Claim 12, Applicant understands the Examiner to say that Lockwood does not explicitly teach collecting beneficiary information, but that such information is deemed to be within the broad term "information" in line 7 of column 5. Applicant and the undersigned respectfully disagree.

With regard to Claims 13-16, it is respectfully submitted that these claims are patentable notwithstanding the Lockwood/Foutz combination for the same reasons set forth in connection with amended Claim 1.

With regard to independent system Claim 17, the Examiner recognizes that Lockwood fails to teach a system comprising elements b, c and e of Claim 17. Applicant and the undersigned would add element d (as it relates to the objective information) to that list. The Examiner takes the position that Foutz provides these missing elements, again pointing to paragraph [0003] as providing "means for collecting objective information relating to the insurable risk." For the reasons set forth above, it is respectfully submitted that Foutz does not show a system for evaluating an insurable risk which includes means for collecting objective information of the type shown and discussed, for example, in connection with Figure 3 of the present application. As is well known, the "means for" limitations of Claim 17 must be construed as being limited to the particular apparatus described in the specification, and equivalents thereof. It is respectfully submitted that the references in paragraph [0003] of Foutz to the prior art manual underwriting process neither shows nor suggests such means (nor their equivalents) as part of an underwriting system, for at least the reasons set forth by Foutz in paragraphs [0005], [0006], and [0007]. Thus, lacking a means for collecting objective information relating to the insurable risk from the applicant, the other limitations of Claim 17 which refer to or use such information are also not disclosed by the Lockwood/Foutz combination.

Dependent Claims 18-23 and 26-30 are similar in most respects to corresponding ones of dependent Claims 2-16 above. Accordingly, the Examiner is referred to the comments and remarks above, which will not be repeated here.

With regard to independent system Claim 31, the Examiner acknowledges that Lockwood fails to teach element (b) (one or more stations for collecting objective information from the applicant). However, the Examiner states that Foutz teaches such an element in Figure 1. Figure 1 of Foutz shows computer terminals 102 which are connected by a network to a server computer 106, which is, in turn, connected to a database 108. Applicant and the undersigned respectfully submit that none of these devices comprise "one or more stations for collecting objective information from the applicant" as illustrated in Figures 2 (element 26), Figure 3 (elements 52-72), and Figure 5 (elements 26 and 170-182) of the present application. It should be readily apparent that the apparatus referred to in connection with these figures, which make up the one or more stations referred to in Claim 31, are not the same as the "typical computer system" disclosed by Foutz in Figure 1 and described in paragraph [0053].

With regard to Claim 32, it is respectfully submitted that this claim is patentable for the same reasons discussed in connection with Claim 31.

With regard to Claim 33, it is again submitted that neither Lockwood nor Foutz show or suggest the "one or more stations for collecting objective information from the applicant," much less stations for collecting the particular types of objective information referenced in Claim 33. The Examiner's reference to column 8, lines 3-11 (which relates to payment information using a credit card) is not understood. The payment information is clearly not a type of information referred to and described in the application, and is clearly not information upon which an automated underwriting system bases preliminary and final quotes for insurance coverage. With regard to the Examiner's reference to column 8, lines 15-19, the undersigned notes that Lockwood's system generates a "motor vehicle request" automatically. Step b of Claim 31 refers to one or more stations for collecting objective information <u>from the applicant</u>. This is clearly not the same as generating a request for information from a service

bureau. In any event, it is clear that such information is merely requested by Lockwood's system, and is clearly not received "in real time," and cannot be used in rating a risk to generate an immediate insurance binder.

With regard to Claim 36, again, Lockwood's reference to credit card information relates to a customer's payment for the services rendered by Lockwood's system. The information transferred from the processing center to the "credit information terminal 3" is clearly not used for the purpose of generating either a preliminary or final quote for insurance coverage, or for providing an immediate binding insurance offer for review and acceptance by the applicant. Thus, Claim 36 is considered allowable over Lockwood.

With regard to Claim 37, the portions of Lockwood relied upon by the Examiner in column 8 are discussed above in connection with Claim 33. Again, generating a request to a service bureau for motor vehicle information is not the same as collecting objective information from the applicant. In any event, Claim 37 is considered to be allowable for the same reasons as discussed above in connection with Claim 31.

Claims 4, 24 and 34 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over Lockwood and Foutz as applied to Claims 1 and 17 above, and further in view of U.S. Patent Publication No. 2003/0187768 to Ryan et al. ("Ryan"). First, Applicant and the undersigned respectfully submit that Lockwood and Foutz do not teach the automated method of Claim 1, or the systems of Claims 17 and 31, for the reasons set forth above. Specifically, neither of these references disclose the steps of or means for collecting objective information from the applicant, providing that information to an automated underwriting system for use in evaluating and rating a risk, and providing an immediate offer of insurance based upon the rating. With specific regard to Claim 4, the Examiner notes that Lockwood and Foutz failed to teach the step of obtaining electronic authorization from the applicant for the immediate release of objective information from one of a variety of sources. The Examiner relies upon paragraph [0043] of Ryan as teaching this step. The undersigned has attached to this response a copy of page 3 of Ryan which includes paragraph [0043] (in context). The undersigned has reviewed

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paragraph [0043] in detail, and can find no specific reference to the step of obtaining electronic authorization from an applicant for the release of any information, much less the objective information referenced in Claim 4. At most, paragraph [0043] of Ryan discloses the broad concept of a "virtual financial institution" by reference to extremely broad, but non-specific, technology and "electronic platforms." If the Examiner intends to maintain this rejection, guidance as to specifically how the step of Claim 4 is disclosed in paragraph [0043] of Ryan is respectfully requested.

With regard to Claims 24 and 34, the same comments apply. To the extent the Examiner intends to maintain the rejections of these claims based upon Lockwood, Foutz and Ryan, additional guidance with regard to where in paragraph [0043] of Ryan regarding where the subject limitations are disclosed is respectfully requested.

Claims 25, 35 and 38-46 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over Lockwood and Foutz and further in view of U.S. Patent No. 4,975,840 to DeTore et al. ("DeTore"). DeTore (which is commonly owned with the present application) discloses an automated underwriting system of the type that can be used in the present method and system to analyze the self-reported and objective information collected at the point-of-sale to generate an immediate insurance binder.

It is respectfully submitted that Lockwood and Foutz do not teach the system of Claim 17 for the reasons set forth above. Accordingly, Claim 25 is considered to be allowable for at least those same reasons. Secondly, the relied upon portion of DeTore (column 8, lines 10-13) reads:

> a. define medical problems from the applicant's health complaints, symptoms, use of medication, history of medical consultations, surgeries, tests, etc.;

This passage does not disclose anything about the "means for collecting objective information," including information regarding medications used by an insurance applicant. DeTore simply notes that such information is used (if available) in defining medical problems.

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Indeed, this aspect of DeTore is one which makes the automated underwriting system suitable for inclusion in the overall system and method of the present invention. This same rationale applies to Claim 35.

　　　　　With regard to Claim 38, the Examiner seems to say, at page 16 of the Office Action, that Lockwood teaches all the limitations of this claim. However, the Examiner states that Lockwood and Foutz "fail to teach a system for capturing data relating to mortality or morbidity risk assessment." DeTore is relied upon for teaching such a system. Thus, the rejection of Claim 38 is under Section 103 based upon the combined teachings of Lockwood, Foutz and DeTore.

　　　　　Applicants and the undersigned respectfully disagree. Specifically, amended Claim 38 requires "a plurality of stations for collecting <u>objective</u> medical and/or physical data from the applicant." These are the stations previously referred to in connection with Figure 2 (26), Figure 3 (52-72), and Figure 5 (26, 170-182). Claim 38 has been amended to insert the word "objective" before the words "medical and/or physical data" to emphasize the fact that the data collected at the plurality of stations is objective data, as has been previously discussed in the context of the preceding claims. The Examiner agrees with regard to those claims that Lockwood does not show the step of or means for collecting such objective data. For the reasons discussed above, Applicants and the undersigned submit that Foutz also does not include the collection of such objective data. Neither does the DeTore patent, which is relied upon in the present application for its disclosure of an example of an automated underwriting program of the type that can be used in certain embodiments of the present invention. Other elements, however, including the plurality of stations for collecting objective medical and/or physical data are provided for in the present application to collect and feed information to such an automated underwriting program as is disclosed by DeTore. The combination of these and the other elements of Claim 38 provide a system which has numerous advantages in time efficiency, costs and underwriting quality, when compared to prior art systems. It is again noted that Foutz references, in paragraph [0006] and [0007], some of the same advantages, albeit in connection

with a system that does not collect objective information and, thus, does not produce a product that is fully underwritten.

With regard to the Examiner's position that DeTore teaches a system for capturing data relating to mortality or morbidity risk assessment, the undersigned notes that the portion of DeTore referred to by the Examiner (Col. 16, lines 20-22) refers to a mortality ratio that is determined (i.e., calculated) and then converted into a risk classification. According to DeTore, "this process permits the underwriter to correlate the expected mortality of the proposed insured (i.e., the mortality ratio), with actuarial analysis and pricing assumptions made during development of particular products (i.e., types of insurance plans). (Col. 16, lines 22-27). Applicants respectfully submit that the determination of a mortality ratio in the context of the automated underwriting program of DeTore does not teach "a system for capturing data relating to mortality or morbidity risk assessment." The data capturing system referred to in Claim 38, and described in the specification of the present application, is a combination of hardware and software specifically designed for capturing self-reported and objective data at a point-of-sale and immediately linking such data to a system for providing an appropriate insurance product to an applicant. DeTore does not disclose such a point-of-sale system.

With regard to Claim 39, the comments referenced above in connection with Claim 38 regarding the mortality ratio calculated by DeTore apply. Also applicable are the comments regarding the failure of Lockwood and Foutz to disclose other elements of the claimed combination, including a plurality of stations for collecting objective medical and/or physical data from the applicant.

With regard to Claim 40, it is respectfully submitted that Lockwood does not teach the system of Claim 38 as stated by the Examiner in the Office Action. Applicants and the undersigned agree with the Examiner that Lockwood does teach the use of communication links to connect terminals to a central data processing center.

With regard to Claim 41, Applicants again dispute that Lockwood teaches the system of Claim 38. Indeed, Claim 41 is allowable over Lockwood (and Foutz) for the reasons

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discussed above in connection with Claim 38. Column 1, lines 31-36 of Lockwood do state as an object of Lockwood's invention "to automatically generate and issue insurance binder agreements according to customer's choice and specifications." However, Lockwood is silent as to providing means for receiving an electronic signature from the customer.

Claim 42 is considered allowable for the same reasons discussed above in connection with Claim 38.

With regard to Claim 43, it is again respectfully submitted that Lockwood and Foutz do not teach the system according to Claim 38, and that Claim 43 is allowable for at least the reasons discussed above in connection with Claim 38. Moreover, the Examiner admits that Lockwood and Foutz fail to teach a system which includes at least one of the plurality of stations referred to in Claim 43. The Examiner states that DeTore teaches such a system in column 8, lines 18-21. That portion of DeTore reads as follows:

> d. evaluate basic medical test results for the existence of possible
> health problems (e.g., evaluate ECG, blood pressure, heart rate,
> blood tests, urine, nicotine, etc.);

The Examiner correctly notes that DeTore does not disclose an actual apparatus for collecting any of the data referred to. The Examiner then "assumes" that such collection and analysis will occur at a remote location (e.g., a hospital or laboratory). The Examiner then appears to cite the disclosure of the present application for connecting such remotely located apparatus with an underwriting engine so that "the results of the medical examination or tests can be collected rapidly for the purpose of evaluating the risk of insurability of an applicant." Applicants and the undersigned respectfully object to this apparent citation of Applicant's own application (specifically, Figure 1) as if it were prior art under Section 103. As was previously discussed in connection with DeTore, that patent does not disclose how the data referred to in column 8, lines 18-21 is collected, or whether it was collected prior to, or contemporaneously with, the analysis performed by the automated underwriting system. It is not fair to the present Applicant to "assume" that such collection was performed in the manner disclosed and claimed by Applicant. Neither is it consistent with the analysis under Section 103. Accordingly, it is

respectfully submitted that Claim 43 is allowable over the combination of Lockwood, Foutz and DeTore.

Claim 44 is rejected on substantially the same basis as Claim 43. Accordingly, the comments in the previous paragraph regarding Claim 43 apply with equal force to Claim 44.

Similarly, Claim 45 is rejected under the combination of Lockwood, Foutz and DeTore, notwithstanding the fact that none of these references discloses a station for collecting objective information of the type disclosed and claimed in the present application. Accordingly, it is respectfully submitted that Claim 45 is allowable for the same reasons discussed above in connection with Claims 43 and 44.

With regard to Claim 46, Applicants admit that both Foutz and DeTore disclose the use of an expert system in connection with an automated underwriting system. However, Claim 46 is considered to be allowable for at least the reasons discussed in connection with Claims 38 and 39 (i.e., the failure of Lockwood, Foutz and/or DeTore to disclose a station or apparatus for collecting objective information, and means for providing such information immediately to an automated underwriting system so as to allow for point-of-sale generation of an insurance binder that has been fully underwritten.

For all of the above reasons, Applicants and the undersigned respectfully submit that all of Claims 1-46, as amended, are allowable over the prior art cited. Accordingly, action to that end is respectfully requested.

If, upon consideration of the above, the Examiner should feel that there remain outstanding issues in the present application that could be resolved, the Examiner is invited to contact Applicant's patent counsel at the telephone number given below to discuss such issues.

To the extent necessary, a petition for an extension of time under 37 C.F.R. §1.136 is hereby made. To the extent additional fees are required, please charge the fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 02-1010 (26893/82693) and please credit any excess fees to such deposit account.

Respectfully submitted,

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sends the ARC information to a reviewing individual, who is responsible for reviewing the information before sending the ARC to the Requester, or referring the application to one or more Providers. In another embodiment, the server sends the communication directly to the Requester, without an intermediate review process.

[0046] The description uses an example of electronically submitting and automatically reviewing an insurance application, and automatically generating an insurance quote based one or more sets of electronically-stored underwriting rules (e.g., the rule set). Accordingly, in the below-described example, the Product is insurance coverage. However, the system and method of the various embodiments can be used to automatically review information and generate responsive communications in conjunction with numerous other types of Products. For example, but not by way of limitation, embodiments of the invention could be used for applying for utility services (e.g., telephone, cable, electricity, etc.), extensions of credit, loans, leases, and other tangible or intangible Products. It would be obvious to one of skill in the art, based on the description herein, to modify the below-described embodiments to apply to these and other Products.

[0047] Prior art ways of evaluating insurance and other types of applications predominantly involve human efforts. In particular, prior art underwriting processes are performed by one or more individuals who manually review the application, apply underwriting criteria, make decisions regarding whether or not to offer coverage, and initiate quote or contract production. Prior art methods of evaluating other types of applications are similar, in regards to the level of human involvement in the process.

[0048] The method of the various embodiments has several significant advantages over these prior art methods. By automating the processes of application receipt, application review (e.g., underwriting), referral, and bid, the system and method of the various embodiments eliminate a substantial portion of the traditional manual processes and human intervention. This lowers the overall cost of doing business, and results in direct cost savings over the prior art methods. The improvement in the process achieved by the various embodiments significantly reduces cycle times, increases accuracy, and leads to a more profitable result.

[0049] In addition, the automated process is more convenient and efficient, in various embodiments. Because application submission, tracking, and information access is available online, in one embodiment, these tasks can be performed regardless of regular business hours, personnel availability or the quantity of business being performed. In addition, the automated application review process is much quicker than a human process. For an Agent or Broker, for example, this reduction in cycle time speeds the sale process to the end Customer, thus potentially increasing the amount of business brought forward and eliminating the need for costly sales personnel.

[0050] Another advantage to the various embodiments is that, by using computer-based application review (e.g., underwriting), the results obtained are much more predictable then when the prior-art, human version of the process is performed. There is no variability from person to person, and the automated process never makes decisions based on emotion or other human factors.

[0051] In one embodiment, the system has the ability to automate underwriting for more than one line of business

services. For example, a Customer or Potential Customer might be interested in obtaining a combined quote for one or more types of insurance products, claims handling, payroll processing, other business accounting functions, human resource related tasks, and/or loss control functions. In one embodiment, the method is able to automate underwriting for each of these functions, and to produce a combined pricing model for presentation to the Customer or Potential Customer.

[0052] In addition, in one embodiment, various work flow checks and balances are included throughout the system, thus further decreasing the opportunities for human errors. For example, the system in one embodiment includes the ability to automatically send e-mail or electronic reminders of actions that need to be completed within certain time frames. This significantly reduces the likelihood that someone involved in the process will "drop the ball" and negatively impact the process flow or fail to realize the desired result.

[0053] FIG. 1 illustrates a typical computer system within which the various embodiments of the present invention can be practiced. The system includes multiple client computers 102, each connected to one or more server computers 106 through one or more communication networks 104.

[0054] Client computers 102 could include, for example, stationary or portable personal computers (e.g., desktop or laptop computers). In addition, client computers 102 could include other devices that are capable of executing a browser and/or accessing a network through a wired or wireless connection. For example, client computers 102 could include handheld computing devices, pagers, specially-equipped television systems, and other types of devices.

[0055] Each client computer 102 includes one or more processors and one or more external network interfaces (e.g., ports). Each network interface allows a client computer 102 to send and receive messages from network 104. For example, a particular network interface could be an Ethernet port, fast Ethernet port, DSL port, or cable modem. In one embodiment, each network interface is a TCP/IP network interface, although other types of interfaces could be used, in other embodiments.

[0056] In one embodiment, each client computer 102 is capable of running one or more instances of a browser. As will be described in detail later, the browser enables the client computer 102 to prompt a Requester for information that will be automatically reviewed at the server in order to determine whether and under what conditions a Provider will offer a Product to a Customer or Potential Customer.

[0057] Server computer 106 could be, for example, one or more stationary desktop, mainframe, or other computing devices. Server computer 106 receives information from client computers 102 over the network 104, and accesses information, files, and data stored within a database 108. In one embodiment, an application server 110 resident on server 106 can execute scripts, which enable various screens to be displayed on client computers 102. A database server 112 resident on server 106 interacts with application server 110 to access database 108. In addition, a file server 114 resident on server 106 interacts with application server 110 to access files (e.g., HTML files) stored on server 110, database 108, or elsewhere.

tion from a variety of electronic sources such as the Medical Information Bureau and the Department of Motor Vehicles. Only a small percentage of the value added actually goes into making the underwriting decision itself.

[0031] Simply obtaining accurate and complete applications is a challenge for most insurers. Agents often fill in the application by hand, leaving much of the information blank; leaving it to the insurance company to obtain the remaining information from the insured once the application is in process. Many insurers have rooms of people in underwriting departments; people whose job it is to merely contact potential insured's or agents to gain complete application information, either because the information is missing or it is illegible.

[0032] Once available for processing, the evaluation of a completed application in a traditional life insurance company is a very complex process. It can involve as many as five different departments and involve 19 different people. To put the process in layman's terms, imagine widget, which took sixty to one hundred and twenty days to manufacture, involved the evaluation of information from credit and insurance bureaus, a physician, a paramedical specialist, and a laboratory, but which involved only about 17 minutes of actual employee value-added work time to assemble and produce the output. Much of this 17 minutes of work can be automated too, the inventors have observed. The inefficiency is the fundamental problem of life insurance underwriting. Note too that the insurance industry is not alone in its adherence to the momentum of a cumbersome process—to the contrary, it is representative. Other areas of finance are similar, and finance is not alone in this regard either. There is much room for improvement in the field of finance and insurance, and the service industry in general.

[0033] So it is this problem that the inventors herein have discovered—not just generic inefficiency, but the specific problems and reasons for the inefficiency in detail. This sets the stage for the present invention.

VI. BRIEF SUMMARY OF THE INVENTION

[0034] A. Objects of the Invention

[0035] It is an object of the present invention to address these problems and provide a better approach.

[0036] It is another object of the present invention to simplify delivery of complex financial and insurance products.

[0037] It is an additional object of the present invention to make these products available to the large segments of the market that are currently not served, or are not efficiently served, by existing distribution.

[0038] It is yet another object of the present invention to deliver value, customization, and transparency to the consumer benefits.

[0039] It is yet a further object of the present invention to provide a preferably scaleable and unique computer technology of wide ranging utility.

[0040] It is still another object of the present invention to provide an electronic platform which companies such as life insurers can use to distribute, and process term and permanent life insurance.

[0041] B. Summary of the Invention

[0042] Any of these and other aspects of the present invention are accomplished to make it a useful improvement over the prior technology. The invention can be applied to many industries, especially in finance and insurance, as well as E-commerce. Merely as an illustration of one preferred embodiment, the invention is illustrated in connection with a nationally licensed Life Insurance Agency and/or a technology development firm. Generally, the idea is to provide a platform for automating most if not all of a company into a "virtual company." For example, consider using the platform in connection with a virtual insurance company.

[0043] Note again, though, that the present invention evolved from market problems discovered by the inventors, and these discoveries set the stage for the concept of a "virtual financial institution." The execution of the concept is not so easy as it challenges conventional thinking in many ways. Though applicable to all financial products such as those in the patents incorporated by reference herein (as other financial institutions like stock brokers, mortgage brokers, and the like—in one embodiment, presented in virtual institution form). In order to teach the invention, a representative teaching involves the "virtual insurance company" using a technology or "platform" that provides an integrated electronic system that can take the customer, or an agent assisting the customer, from needs analysis to quote, from quote to application, and from application to underwriting and approval, on a single, electronic platform. The system should be extremely easy to use—so easy that someone who didn't know or understand even the most basic concepts of life insurance could use it without training. The system has to provide automatic solutions, in the form of quotes, to the problems—customer needs—identified by the technology. The site had to be data persistent, meaning that each interaction with the web site (and data therefrom) would actually be retained. Information entered in one part of the site, would appear on other parts of the site where the same data was needed.

[0044] The site is easily customizable so that distribution partners can easily apply their brands and their look and feel to the system for their use, so that XYZ banks customer would believe that they were still on XYZ's site. To work, the site has to be compliant with legal requirements, e.g., in the context of insurance, insurance and security regulations across all fifty states. It has hyperlinks and explanations too, e.g., of life insurance. It avoids industry jargon, and if compliance regulations use jargon, the site provide links to easy-to-understand definitions. To reduce carriers costs in processing the policies, the system provides built-in error checking so that the only 'clean applications'—applications ready to be underwritten—can make it through the system. And the system includes automated underwriting logic, especially so that a certain percentage of the risks—smaller policies for people without health issues in certain age brackets could be approved instantaneously.

[0045] The present invention can be carried out using Extensible Mark-up Language or XML. XML is used to permit one vendor to have its computer talk to a partner's computer (e.g., XYZ online mortgage company) over the Internet and with permission from the consumer use information provided (e.g., what kind of mortgage the customer has just purchased) to instantly develop a perfectly customized offering for the customer (an insurance policy that will